

The Status of EDI

A Presentation

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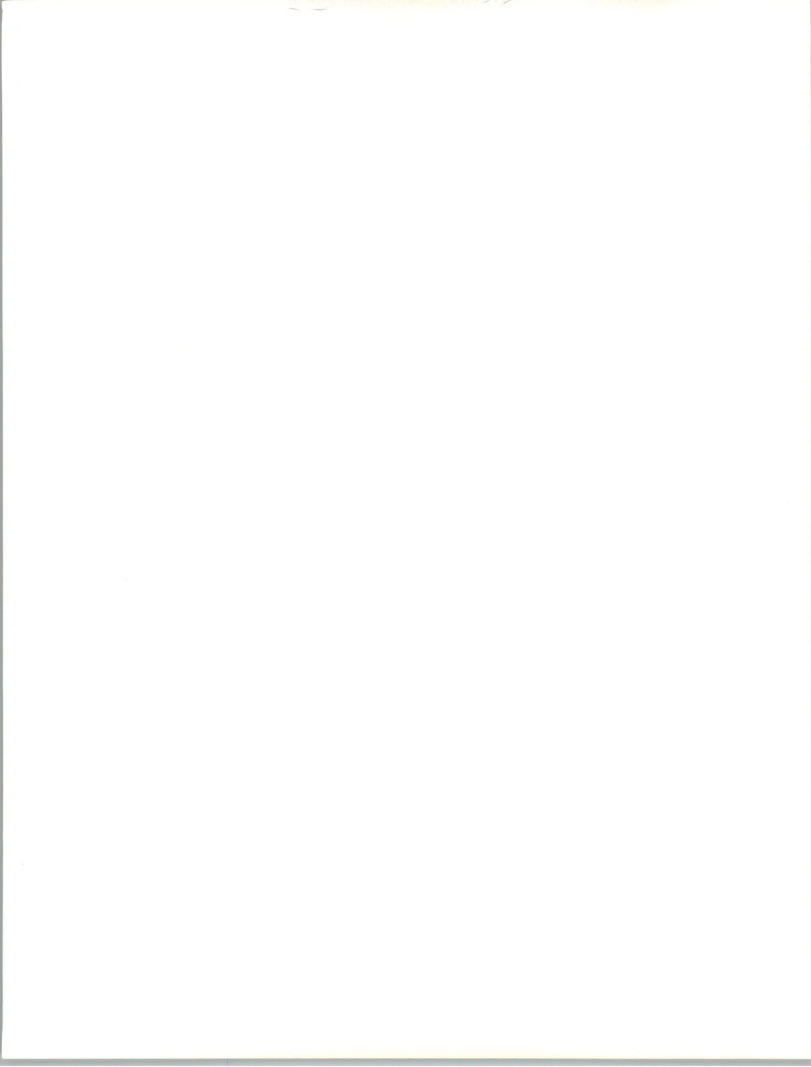
The Status of EDI

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The Status of Electronic Data Interchange

Torrey Byles
EDI/Electronic Commerce
Program Manager



Definition of EDI

- EDI is the application-to-application exchange of intercompany business data in structured, standard data formats

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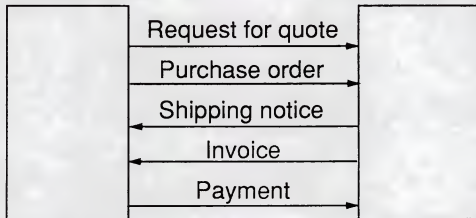
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Notes

EDI Messages

Buying Co.

Selling Co.



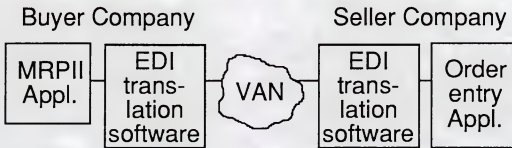
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Notes



Components of EDI



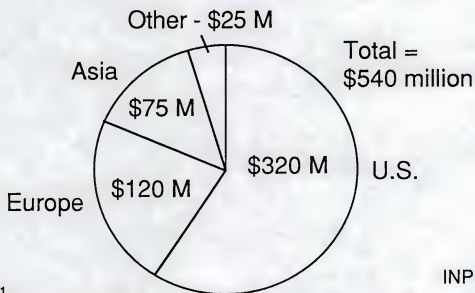
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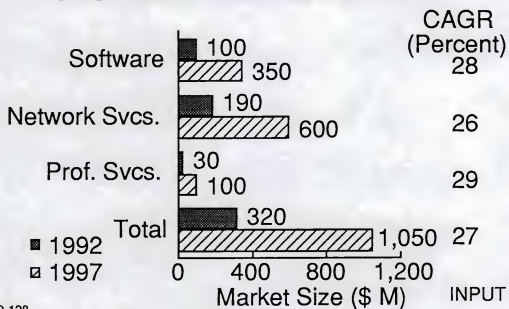
Worldwide EDI Market, 1992



Notes



U.S. EDI Market Growth

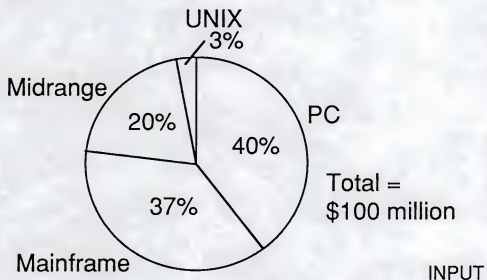


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1992 EDI Software Market

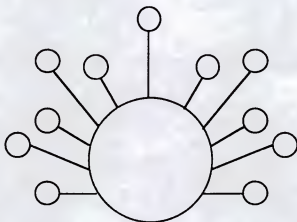


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EDI Usage Grows in a Hub and Spoke Pattern



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Mainstream EDI Markets

- Manufacturing
- Transportation
- Distribution

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Specialized EDI Markets

- Health care
- Finance
- Government

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Notes



Emerging EDI Markets

- Travel and tourism
- Communications/media
- Education
- Construction

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Notes



Most Common EDI Implementation Objectives

- Improve operational efficiency
- Reduce costs
- Attain or maintain competitive advantage
- Improve customer relationships
- EDI-related partnering improvements and customer requirements

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Most Common EDI Applications

| Application | Rank |
|---------------------|------|
| Order entry | 1 |
| Accounts receivable | 2 |
| Purchasing | 3 |
| Accounts payable | 4 |
| Inventory | 5 |

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Notes



EDI Implementation Success Factors

- Executive charter
- Formal strategy
- Multidepartment task force
- EDI coordinator
- Close interaction with vendors

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Case Study

- Allison Manufacturing
- Product: Sportswear
- Sales: \$70 million
- EDI trading partners: 12 customers
- Sales volume by EDI: 12%
- EDI transactions: P.O., invoice
- PC software; 2 networks

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Notes



X12 and EDIFACT

- X12 is more widely used
- X12 has more working standards
- EDIFACT is more generic
- Industry and trading partner guidelines are key
- EDIFACT syntax used in X12 committee

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X12 and EDIFACT Syntax

Interchange

Functional group

Message or transaction set

Segment

Data element

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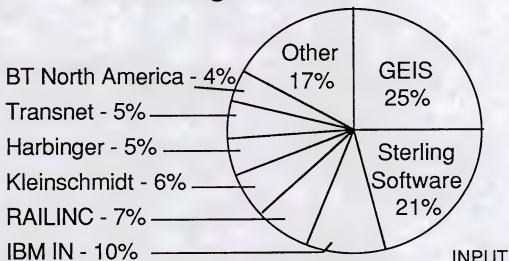
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1992 Market Share Leading EDI VANs



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Total mkt. = \$190 million

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the 1990s, the number of people in the UK who are aged 65 and over has increased from 10.5 million to 12.5 million, and the number of people aged 75 and over has increased from 4.5 million to 6.5 million (Office for National Statistics 2000).

There is a growing awareness of the need to address the needs of older people in the community. The Department of Health (1999) has published a strategy for older people, which sets out the government's commitment to older people and the actions that will be taken to improve their lives. The strategy is based on the following principles:

- Older people should be able to live independently and actively in the community.
- Older people should be able to access the services and facilities they need to live well.
- Older people should be able to participate in the decisions that affect their lives.

The strategy also sets out a number of key objectives, including:

- To improve the health and well-being of older people.
- To improve the social and economic participation of older people.
- To improve the housing and living conditions of older people.

The strategy is a key document for the development of services for older people in the UK. It provides a framework for the development of policies and practices that will improve the lives of older people in the community.

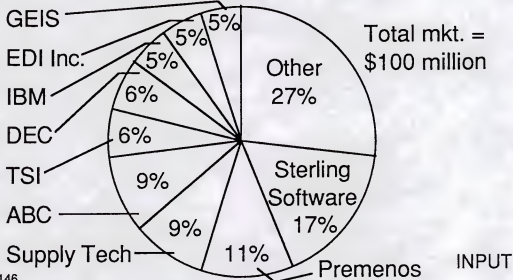
The strategy also sets out a number of key actions that will be taken to improve the lives of older people in the community. These actions include:

- Improving the health and well-being of older people.
- Improving the social and economic participation of older people.
- Improving the housing and living conditions of older people.

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1992 Market Share Leading EDI Software Vendors



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the 1990s, the number of people with a mental health problem has increased by 50% (Mental Health Foundation 2000). The prevalence of mental health problems has increased in the general population, and the incidence of mental health problems has increased in the prison population.

There is a growing awareness of the need to address the mental health needs of prisoners. The Department of Health (2000) has published a strategy for mental health services, which includes a commitment to improve the mental health of prisoners. The Department of Health (2000) has also published a strategy for mental health services, which includes a commitment to improve the mental health of prisoners.

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EDI Professional Services

| Vendor | 1992 Revenues (\$ M) |
|-------------------------|----------------------|
| EDS | 5.0 |
| IBM Information Network | 4.0 |
| Price Waterhouse | 2.5 |
| Andersen Consulting | 2.0 |
| Other | 16.5 |
| Total | 30.0 |

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Notes



Trends in EDI

- Consolidaton of vendors
- Price competition
- Growing diversity of EDI applications
- Users slow to integrate
- EDI architecture changing

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